



Department of City Development

City Plan Commission
Neighborhood Improvement
Development Corporation
Redevelopment Authority

Rocky Marcoux
Commissioner

Martha L. Brown
Deputy Commissioner



Milwaukee's Future: IT'S IN OUR HANDS

www.milwaukee.gov/2010census

For Release, Wednesday, March 17, 2010
For more information contact Jeff Fleming, 414-286-8580

Facts and Perspective on the Decision by Talgo to Locate its Manufacturing Facility At Milwaukee's Century City

Public Statements Regarding Super Steel and Talgo

- Tim Sheehy, on behalf of the Milwaukee 7 regional economic development partnership:

"The role of Milwaukee 7 is to represent the entire region in growing, retaining and attracting jobs. As it relates specifically to the opportunity to attract jobs from the work that Talgo is pursuing in Wisconsin and other states there were a number of sites in and outside the region under review.

"Our standing practice is to respond to the needs of our economic development customer, **when it became clear from Talgo that the proposed site in the City of Milwaukee [Super Steel] would not meet their needs, we supported the City's effort to put forward an alternative site [Century City] that would meet Talgo's needs.**

"As a regional entity, our role is to support any and all sites in the region that will bring the jobs here. The ultimate decision on where to locate is up to the economic development prospect."

- Super Steel's filing for receivership was not the result of Talgo's decision. Super Steel's spokesperson, Evan Zeppos, quoted on Biztimes.com:

"One contract would not have reversed the economic impact we've been facing at Super Steel," Zeppos said. "However, Super Steel would have done an excellent job with that contract. We're still in a position to be a good subcontractor on that project. We have received some additional work and contracts recently and we have a backlog now. But those aren't enough to overcome the stress we're facing, so **(the filing) is really not related (to Talgo).**"

--more--

- Super Steel President Jim Schmelzer quoted, in the Business Journal Serving Greater Milwaukee, on Super Steel's receivership filing:

"Today's filing gives Super Steel the time and framework to reposition while we continue to operate our business as usual," Schmelzer said. **"We have a going business, a backlog of orders and excellent employees. This step changes none of that."**

Overview

- The highest priority for Mayor Barrett and the Department of City Development was to make sure the Talgo jobs would be created in Milwaukee.
- The City of Milwaukee was fully supportive of Super Steel's proposal to have Talgo employees assemble high-speed train sets in a facility leased to the Spanish company by Super Steel. Mayor Barrett sent a letter of support for Super Steel's bid.
- The city proposed the Century City site to Talgo through the Milwaukee 7 regional economic development partnership after Talgo made it clear Super Steel's proposal did not meet Talgo's criteria.
- From the outset, Talgo was only looking for space for its own employees to assemble trains. It never considered delegating the work to Super Steel or any other company.
- Talgo is paying market-rate rent at the Century City site.
- It is only because the city stepped up – after Talgo determined the Super Steel proposal did not meet its criteria – that Milwaukee workers will build high speed trains for Wisconsin, Oregon, and possibly other states.
- The city communicated directly with Talgo executives to encourage consideration of Super Steel as a subcontractor for the high speed train work. Talgo agreed and informed Super Steel, in writing, they would be considered for subcontracting work.
- Logistically, the Century City site makes the most sense for the Talgo facility because of its proximity to the Milwaukee Intermodal Station.
- Business leaders with the regional economic development group, Milwaukee 7, confirm the City of Milwaukee did not undermine Super Steel's bid to house the Talgo work in any way.
- Talgo executives are available to news media representatives to discuss their selection process and why they chose the Century City site over all the Wisconsin locations they considered.

--more--

Government Support for Super Steel

- The City of Milwaukee arranged for and approved a \$200,000 forgivable loan to Super Steel at the end of 2008 to promote job growth. That money was never disbursed because, by early 2009, it was clear that Super Steel was not in a position to utilize the funds. That was more than six months before Talgo began looking for a Wisconsin assembly site.
- The Wisconsin Department of Commerce awarded Super Steel \$1 million in enterprise development zone tax credits in December, 2008, based on the retention of 350 jobs and the creation of 150 new jobs.
- In July 2009, the Milwaukee Department of City Development, Milwaukee 7, and the Wisconsin Department of Commerce met with representatives of Nippon Sharyo and Super Steel, presenting numerous incentives to assist the two companies with a \$45 million contract for 400 cars for Chicago's Metra rail system.
- The City of Milwaukee has had a continuous and very positive working relationship with Super Steel since the early 1970's. The company purchased the site for its Tower Ave. facility from the city.
- Milwaukee and its Redevelopment Authority have financed Super Steel's growth over the years with eleven industrial revenue bond issues, totaling over \$16 million.
- The city is unaware of any letters or financial support provided by Milwaukee County to Super Steel.

###